

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHEATLAND ADOPTING THE ANNUAL BUDGET, CONTROL POLICIES AND APPROPRIATIONS LIMIT FOR FISCAL YEAR 2010/2011

WHEREAS, the City Council of the City of Wheatland conducted a publicly noticed workshop on June 16, 2010 to review the Proposed Budget for fiscal year 2010-2011; and,

WHEREAS, the City of Wheatland's Proposed Budget for fiscal year 2010/2011 reflects the financial plan necessary to meet the City's needs in the coming year; and,

WHEREAS, the City Council of the City of Wheatland recognizes the need to continue to implement and enforce budget control policies.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Wheatland as follows:

1. That the foregoing statements are true and correct.
2. That the City of Wheatland's 2010/2011 proposed budget is hereby adopted as the City's operating budget for fiscal year 2010/2011.
3. That the City will strive to maintain a balanced budget during fiscal year 2010/2011. Balanced budget is defined as:
 - a. Operating revenues must equal or exceed operating expenditures and debt service obligations.
 - b. Ending fund balances (or working capital in the enterprise funds) must meet or exceed minimum levels. For the general, water and sewer funds, the goal for fiscal year 2010/2011 is established at 25% of operating expenditures.
 - c. Expenditures can exceed revenues in a given year only when beginning fund resources are used to fund capital improvements or other "one-time," non-recurring expenditures.
4. The City Council may amend the budget at any time after its adoption by a majority vote of the Council members.
5. The City will prepare and issue timely interim reports on the City's fiscal status to the City Council and staff. This includes: monthly budget to actual reports to department managers and quarterly reports to the City Council
6. Each City department manager is charged with monitoring budgets that are under his/her responsibilities and controlling and limiting costs to stay within adopted budget amounts. The adopted budget is to be administrated on a "department total" basis and not a line item basis. If for some reason City service levels cannot be maintained utilizing the adopted budget amounts, a budget amendment proposal to the City Council will be requested prior to a department manager exceeding the original adopted budget amount.

7. Interfund Transfers and Loans. The City has established various special revenue, capital project and agency funds to account for revenues and deposits whose use is restricted to certain activities. Each fund exists as a separate accounting entity from other funds, with its own revenue sources, expenditures and fund equity.

Anticipated transfers between funds for operating purposes are defined in the adopted budget and can be made by City staff in accordance with the adopted budget. These transfers, are distinctly different from interfund borrowings, which are usually made for temporary cash flow reasons. From time-to-time, interfund borrowings may be needed and are approved by the City Council as follows: The Director of Administrative Services is authorized to approve temporary interfund borrowings for cash flow purposes whenever the cash shortfall is expected to be resolved within 60 days. A common example of interfund borrowing needs under this policy is for grant programs where costs are incurred on a reimbursement basis.

Any other interfund borrowings for cash flow or other purposes require case-by-case approval by the Council.

The funding of development entitlement processes are to be from deposits received in advance of the City incurring costs. Both City staff and outside consultants are charged with coordinating the funding of these tasks to assure that deposits are received prior to incurring costs.

8. Pursuant to Article XIII B of the California Constitution, the appropriations limit for the City of Wheatland for fiscal year 2010/2011 is hereby established as \$3,416,906. The factors used to calculate the 2010/2011 appropriations limit are the percentage change in California per capita personal income of -2.54% and the percentage change in the County of Yuba population of 1.50%.

PASSED AND ADOPTED by the City Council of the City of Wheatland on the 22nd day of June, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Enita Elphick, *Mayor*

Lisa J. Thomason, *City Clerk*